

January 28, 2021

Forming a Funded Federal Regional Commission

The Consolidated Appropriations Act of 2021 (P.L. 116-260) included \$1 million in funding for the Southeast Crescent Regional Commission, an increase from \$250,000 appropriated previously, and \$250,000 for the Southwest Border Regional Commission. Both commissions are authorized but are not currently operational. Although appropriations are necessary for their full activation, they are also insufficient without additional steps. This In Focus describes potential additional steps that may be required for a federal regional commission to achieve full formation, and potential policy options for Congress as it continues to consider creating new federal regional commissions and authorities.

Background on the Federal Regional Commissions and Authorities

Seven federal regional commissions and authorities have been authorized by Congress to address instances of major economic distress in geographically defined socio-economic regions. Congress authorized the first federal regional commission, the Appalachian Regional Commission (ARC), in 1965. Additional commissions and authorities were founded in 1998 (the Denali Commission), 2000 (the Delta Regional Authority, or DRA), and 2002 (the Northern Great Plains Regional Authority, or NGPRA). The most recent commissions—the Northern Border Regional Commission (NBRC), the Southeast Crescent Regional Commission (SCRC), and the Southwest Border Regional Commission (SBRC)—were authorized in 2008. Four of the seven entities—the ARC, DRA, Denali, and NBRC—are active and receive annual appropriations.

The NGPRA, SBRC, and SCRC are currently inactive. The NGPRA's authorization of appropriations lapsed in FY2018; it received one appropriation for \$1.5 million in FY2004. Although the SCRC and SBRC have received annual appropriations, each has yet to fully activate, as a presidentially-appointed federal co-chair has not been appointed.

The six regional commissions and authorities established after the ARC are all broadly modeled after its structure, which includes a federal co-chair, appointed by the President with Senate confirmation, and the member state governors, of which one is elected by the governors as state co-chair.

Commission Funding for FY2021

The Consolidated Appropriations Act of 2021 (P.L. 116-260) included \$250,000 for the SBRC—the first time it has received an appropriation since it was authorized in the 2008 farm bill (P.L. 110-234).

P.L. 116-260 also appropriated \$1 million to the SCRC, which is currently inactive. Since FY2010, the SCRC has received an annual appropriation of \$250,000, but no federal co-chair has ever been appointed, and the funding has been returned to the Treasury. The authorizing legislation for the SCRC and SBRC in the 2008 farm bill requires a presidentially-appointed federal co-chair, which has yet to occur. **Table 1** summarizes key demographic data for the six federal regional commissions that have received funding to date, along with their FY2021 appropriations.

Table 1. Funded Federal Regional Commissions at a Glance

in reverse order of year enacted

	Year Enacted	Number of Counties	FY2021 Appropriations
SBRC	FY2008	93	\$250,000
SCRC	FY2008	384	\$1 million
NBRC	FY2008	60	\$30 million
DRA	FY2000	252	\$30 million
Denali	FY1998	Entire state of Alaska	\$15 million
ARC	FY1965	420	\$180 million

Source: Appropriations figures tabulated from P.L. 116-260.

Notes: The federal commissions listed in **bold** are considered to be currently active. The State of Alaska is organized into 20 boroughs (19 organized and one unorganized) and is, along with the State of Louisiana, one of only two U.S. states that does not refer to its primary administrative subdivisions as counties.

Steps for Commission Formation

The FY2021 appropriations of \$250,000 and \$1 million to the SBRC and SCRC, respectively, represents a first step towards their full formation and operation. However, several additional steps must be completed before the commissions can be fully convened and active in a manner comparable to the four other active federal regional commissions and authorities.

These steps include, broadly:

1. The presidential appointment and Senate confirmation of a federal co-chair, and potentially an alternate federal co-chair;
2. The convening of the commission, including the federal co-chair and the member state governors;
3. Organizational development of the commission, which includes the

development of bylaws, hiring of a professional staff, and the identification of program priorities; and

4. The establishment of an economic development grant-making program, pending additional appropriations.

Appointment of a Federal Co-Chair

The presidential appointment and Senate confirmation of a federal co-chair is an essential step, as the federal co-chair is a statutorily enumerated leader of the commission, alongside state members (the governors, of which one is elected state co-chair). According to the 2008 farm bill, which authorized the SBRC, SCRC, and NBRC, the federal co-chair serves as the “liaison between the federal government and the commission.” The statute also states that the federal co-chair’s assent is required, along with a majority of state members, in rendering any decision. In effect, the statute does not provide for the commission’s formation in the absence of a duly appointed and confirmed federal co-chair.

The federal co-chair’s rank and compensation is also established in statute as level III of the Executive Schedule. According to the Office of Personnel Management (OPM), the FY2021 rate of basic pay for level III of the Executive Schedule is \$183,300. The statute also provides for the presidential appointment (without Senate confirmation) of an alternate federal co-chair, who may serve in the federal co-chair’s stead as needed, or as a deputy otherwise—at the rank of level V of the FY2021 Executive Schedule, or \$161,700.

Convening the Commission

Upon appointment and confirmation of a federal co-chair, a commission may begin formal operations once the commission membership is convened. Each commission consists of the federal co-chair and the governors of the member states. For the SBRC and SCRC, the 2008 authorizing statute also provides for the selection of state alternates to serve in the governors’ stead. The convening of the commission would functionally operationalize the commission and, with the assent of the federal co-chair and a majority of state members, allow the commission to render decisions regarding structure and administration.

One such decision would be the selection of a state co-chair who, alongside the federal co-chair, would form the commission leadership. According to statute, the state co-chair “shall be a Governor of a participating State in the region and shall be elected by the State members for a term of not less than 1 year.” The statute also limits the state co-chair to no more than two consecutive terms.

Organizational Development and Grant Making

A commission, once convened, may draft and pass bylaws for the organization, which govern the roles and responsibilities of commission members and staff, and set processes for the day-to-day administration of the organization. These bylaws may be revised or amended by the commission as needed, as they reinforce statutory guidance and regulate the activities of the organization that are not detailed in statute. For example, the bylaws may

describe the role of an executive director and the categories of professional staff, including the terms of their appointment and hiring, their compensation schedules, and their roles and functions. The programmatic elements of the commission’s work would be informed by the regional economic development priorities identified by commission members. The commission may draft a strategic plan or priorities document, or delegate responsibility for the development of such documentation to commission staff, seconded staff from the respective state governments, or a third party, subject to approval by the commission.

FY2021 appropriations to the SCRC and SBRC provide limited and perhaps insufficient funding for hiring additional staff beyond the federal co-chair and may not fully cover the operational costs of convening the commission (particularly for the SBRC). More significant funding for economic development grant-making would also need to be appropriated in the future.

However, as is generally the case with the active federal regional commissions, the SCRC and SBRC’s 2008 authorizing statute obligates evenly shared administrative expenses between the federal government and state members. As such, additional appropriations allocated for administration would require an equal match from the member states. The states are not responsible for providing funding for grant-making, however. Those funds would need to be included in future federal appropriations.

Policy Considerations

Enacting, appropriating, and operationalizing a federal regional commission can be a long-term and sometimes disconnected process, as a commission may not form even with authorizing legislation and appropriations. Should Congress wish to streamline the formation process, it may consider potential options:

- Develop model legislation to provide a temporary or alternate federal co-chair until a permanent one is appointed and confirmed;
- Allow for a class of federal regional commissions to be authorized, and federal co-chairs appointed, by the Secretary of Commerce, similarly to those created under (now defunct) Title V of the Public Works and Economic Development Act of 1965 (P.L. 89-136); or
- Develop a coordinating entity within the Department of Commerce to administer the establishment, development, and cooperation of existing and future federal regional commissions.

Additional Reading

For additional related information on the Federal Regional Commissions and Authorities, see CRS Report R45997, *Federal Regional Commissions and Authorities: Structural Features and Function*; and CRS In Focus IF11396, *Starting a Federal Regional Commission or Authority*.

Julie M. Lawhorn, Analyst in Economic Development Policy

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.